



**Financial Assurance Board
Minutes
June 12, 2003 Meeting**

Board Members Present

Mayor James Acton, Public
John Sharp, Financial Institutions
Maggie McShane, Petroleum Council
Greg Silver, Environmental
Dave Certo, State Treasurer's Office

Martha Hollingsworth, Public
Linda Dollens, IDR
Roy Meeks, Service Stations
Joanie Kanizer, Convenience Stores
Bruce Palin, IDEM

Board Members Not-Present

Tracy Boatwright, State Fire Marshal's Office
William Shaver, Petroleum Distributor Market
William Herdrich, Independent Petroleum Dealers

Ed Grimmer, Public

IDEM Staff Present

Nancy King, Board Counsel
Brent Dayharsh, ELTF Program

Paul Serguta, ELTF Program
Ann Long, Legal Counsel

Mayor Acton, Chair, called the meeting to order and board members introduced themselves.

Minutes of the February 13, 2003 meeting

The Board approved the minutes from the February 13, 2003 meeting.

New Business Update

Fund Administrator's Report

Mr. Dayharsh reviewed the **Excess Liability Trust Fund Revenue and Expense Summary** noting that claims paid is quite high through May. Approximately \$40 million dollars has been paid out with an anticipated \$4-5 million dollars in June. We received 410 claims in May and to date; the claim volume has more than doubled in less than two (2) years. Mr. Dayharsh indicated that through May, the Fund balance was \$52 million.

Mr. Silver asked if the State had taken any money from the Fund. Mr. Serguta stated that neither the \$500,000 for the Department of Natural Resources nor the \$475,000 for statewide agency services had been transferred out of the Fund yet.

Mr. Serguta reviewed the **Petroleum Trust Fund Revenue and Expense Summary** noting the only important item was the fact that the Fund balance was about \$300,000 less than the previous year.

Mr. Dayharsh gave a brief version of the claim status. In May, 368 claims were processed and we paid out approximately \$5.7 million. The average paid per month is nearly \$4 million. Mr. Sharp asked if there was any particular reason for the big jump in claims. Mr. Dayharsh attributed it to more sites entering the Fund, more sites that are being closed out, and the large number of projects in the maintenance phase which generates a lot of smaller claims.

ELTF Rules Update

Ms. Ann Long gave an update of the proposed amendments to the existing ELTF rules. An internal IDEM workgroup had been meeting since February. The external work group is now meeting to discuss the rules. Mr. Silver asked if IDEM was addressing the Third-party-liability issues. Ms. Long assured him that they were.

Other Business

Mr. Chris Braun, General Counsel for the Indiana Petroleum Marketers and Convenience store Association and Counsel for Kiel Brothers Oil Company voiced his concerns about the declining balance of the fund. Mr. Braun also discussed the issue of third-party claims. He introduced three individuals; Dale Flannery, Treasurer of G&G Oil Company, Debbie Baker of Crystal Flash, and IPCA President Mike Ackerman who also spoke concerning third-party claim issues. At the end of the discussion, the board adopted a resolution introduced by Mr. Braun concerning third-party claims,

Next Board Meeting

The next board meeting is tentative scheduled for Thursday, September 18, 2003 pending room availability. Mr. Silver moved that the meeting be adjourned and Mayor Acton and Mr. Palin seconded the motion. The vote was unanimous and the meeting was adjourned.

Note: Since the adjournment, the next meeting date of Thursday, September 18, 2003, in Conference Room A at 2:00 PM has been confirmed.

Date: _____

Signature _____

James Acton, Chair
Financial Assurance Board